



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 15, 2001

TO:

[REDACTED]

THRU:

Peter H. Hess, Sr. Reclamation Specialist, Team Lead

Sm for PHH

FROM:

Wayne H. Western, Senior Reclamation Specialist

WHW

RE:

Willow Creek Reclamation Plan Section 5, Exhibits 13 & 17, Plateau Mining Corp., Willow Creek Mine [REDACTED] 8-AM01B

SUMMARY:

The Division reviewed the reclamation cost estimate as part of reviewing amendment AM01B. The amendment involved the incorporation of as-built drawings for the Willow Creek Mine. Because the as-built drawings were significantly different than the proposed facilities, the Division opted to review the reclamation cost estimates at this time.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of bond amount

The Division reviewed the bond calculations for the Willow Creek Mine as part of processing amendment AM01B, which involved replacing the original proposed surface facilities maps with as-built drawing. The Division chose to review the reclamation cost estimate because the as-built drawings were significantly different than the original proposed maps.

TECHNICAL MEMO

The Permittee submitted a detailed reclamation cost estimate for the Willow Creek Mine. The Division reviewed the calculations and found that they were adequate with regards to bond calculations.

The Division determined that the reclamation bond for the Willow Creek Mine should be set at \$7,866,000. The current bond is for \$12,100,000. The reasons for the bond decrease include the following:

- More detailed earthwork calculations.
- Using concrete demolition costs based on the *Caterpillar Handbook* and the *Blue Book* rental rates instead of *Means* unit costs. The Means unit costs for concrete demolition are based on labor-intensive demolition crews instead of crews using large equipment.
- Instead of shipping the debris disposal to ECDC (\$35/CY), the permittee proposed to use City Services who charge \$4/CY.)

A detailed reclamation cost estimate for the Willow Creek Mine is attached to this TA.

Findings:

The permittee met the minimum regulatory requirements with respect to the bond calculations.

RECOMMENDATIONS:

The Division should allow the permittee to post a \$7,866,000 bond.